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FEB 14 1992

IRREVOCABLE STANDBY LETTER OF CREDIT NO.

DIVISION OF  
OIL GAS & MINING

ISSUED IN Salt Lake City, Utah on 08 JAN 1992

APPLICANT:

Kennecott Utah Copper Corporation  
10 East South Temple  
Salt Lake City, Utah 84147

BENEFICIARY:

Utah Division of Oil, Gas and  
Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

AMOUNT: USD \*\*\*72,400.00  
SEVENTY TWO THOUSAND FOUR HUNDRED  
AND 00/100 UNITED STATES DOLLARS

DATE AND PLACE OF EXPIRY:  
07 JAN 1993  
Our Counters

Gentlemen and Ladies:

1. First Security Bank of Utah, N.A., Salt Lake City, Utah hereby establishes this irrevocable letter of credit (the "Letter of Credit") in favor of the Utah Division of Oil, Gas and Mining ("Division") for an aggregate amount not to exceed \$72,400.00. (reclamation cost estimate) in United States dollars ("Face Amount") effective immediately.

2. This Letter of Credit will expire upon the earlier to occur of (a) 5.00 o'clock p.m. (Salt Lake City time) on January 7, 1993 (expiration date) and (b) the date upon which First Security Bank of Utah, N.A. receives notice from the Division that documents have been executed pursuant to which the Division releases Kennecott Utah Copper Corporation ("Operator") from liability for reclamation of the Pine Canyon Reclamation Project Permit #M/045/004.

3. This Letter of Credit will be automatically extended for successive periods of one year from the current or any future expiration date unless First Security Bank of Utah, N.A. gives notice to the Division at least 90 days prior to the expiration date that we elect not to renew the Letter of Credit.

4. Funds under the Letter of Credit are available against the Division's sight draft in the form of Exhibit A, specifying Letter of Credit No. delivered to our counters at 15 East 100 South, Salt Lake City, Utah 84111. At the Division's sole election, the Division may present sight drafts for less than the Face Amount so long as the aggregate amount of all sight drafts does not exceed the Face Amount. Each draft must be accompanied by a certificate in the form of Exhibit B, purportedly signed by a duly authorized representative of the

Division.

5. If First Security Bank of Utah, N.A. receives the Division's sight draft(s) and certificate(s) as provided in Paragraph No. 4 above on or before the expiration or termination of this Letter of Credit, we will make such amount as the Division may specify, within the limits of the second sentence of Paragraph No. 4 of this Letter of Credit, available to the Division no later than the close of business (Salt Lake City time) on the second business day following our receipt of the sight draft and certificate and in such a manner as the Division may specify.

6. This Letter of Credit will be governed by the laws of the State of Utah and except so far as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credits, 1983 Revision, International Chamber of Commerce Publication No. 400 ("UCP"). In the event of a conflict between Utah law and the UCP, Utah law shall govern.

7. All communications regarding this Letter of Credit will be addressed to First Security Bank of Utah, N.A., International Department, 15 East 100 South, Salt Lake City, Utah referencing Letter of Credit No.

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE(S)



AMENDMENT TO STANDBY LETTER OF CREDIT

L/C #:  
LC ISSUED: 1/08/92  
AMENDMENT 1

AMENDMENT DATE: 27 MAR 1992

APPLICANT:

Kennecott Utah Copper Corporation  
10 East South Temple  
Salt Lake City, Utah 84147

BENEFICIARY:

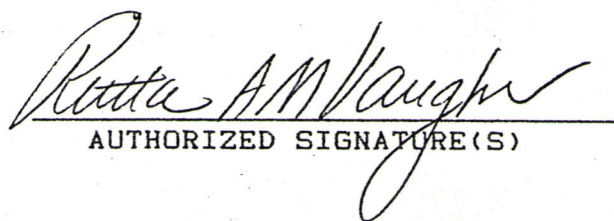
Utah Division of Oil, Gas and  
Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

THE ABOVE MENTIONED LETTER OF CREDIT IS HEREBY AMENDED AS FOLLOWS:

AMOUNT INCREASED BY: USD \*\*\*10,000.00

WRITTEN AMENDMENT AMOUNT: TEN THOUSAND AND 00/100 UNITED  
STATES DOLLARS

THIS AMENDMENT IS TO BE CONSIDERED AS PART OF THE ABOVE MENTIONED CREDIT AND  
MUST BE ATTACHED THERETO. ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

  
AUTHORIZED SIGNATURE(S)

RECEIVED

APR 01 1992

DIVISION OF  
OIL GAS & MINING

**EXHIBIT A**

|               |  |                               |
|---------------|--|-------------------------------|
| _____<br>Date | <u>Salt Lake City/Salt Lake County</u><br>City, County | _____<br>Letter of Credit No. |
|---------------|--|-------------------------------|

PAY TO OURSELVES \* \_\_\_\_\_ DOLLARS

TO: Utah Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

The Utah Division of Oil, Gas and Mining

\_\_\_\_\_  
Authorized Signature

\*By wire transfer in United States dollars to: The Division of Oil, Gas and Mining.



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter  
Governor  
Dee C. Hansen  
Executive Director  
Dianne R. Nielson, Ph.D.  
Division Director

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

## EXHIBIT B

I, \_\_\_\_\_ a duly authorized representative of the Utah Division of Oil, Gas and Mining, hereby certify that (1) the drawing in the amount of \$ \_\_\_\_\_, by sight draft accompanying this certificate, under Letter of Credit No. \_\_\_\_\_ dated January 8, 1992 issued by you is permitted under the provision of the Letter of Credit, (2) the Letter of Credit has neither expired nor terminated pursuant to its terms, and (3) the amount of the sight draft, together with any amounts previously drawn under the Letter of Credit, does not exceed the Face Amount. Proceeds of this drawing will be utilized in full to pay the expenses relating to the reclamation liability for the Pine Canyon/Carr Fork [mine], M/045/004 [mine permit #].

The Utah Division of Oil, Gas and Mining

By: \_\_\_\_\_  
Authorized Signature

Date \_\_\_\_\_

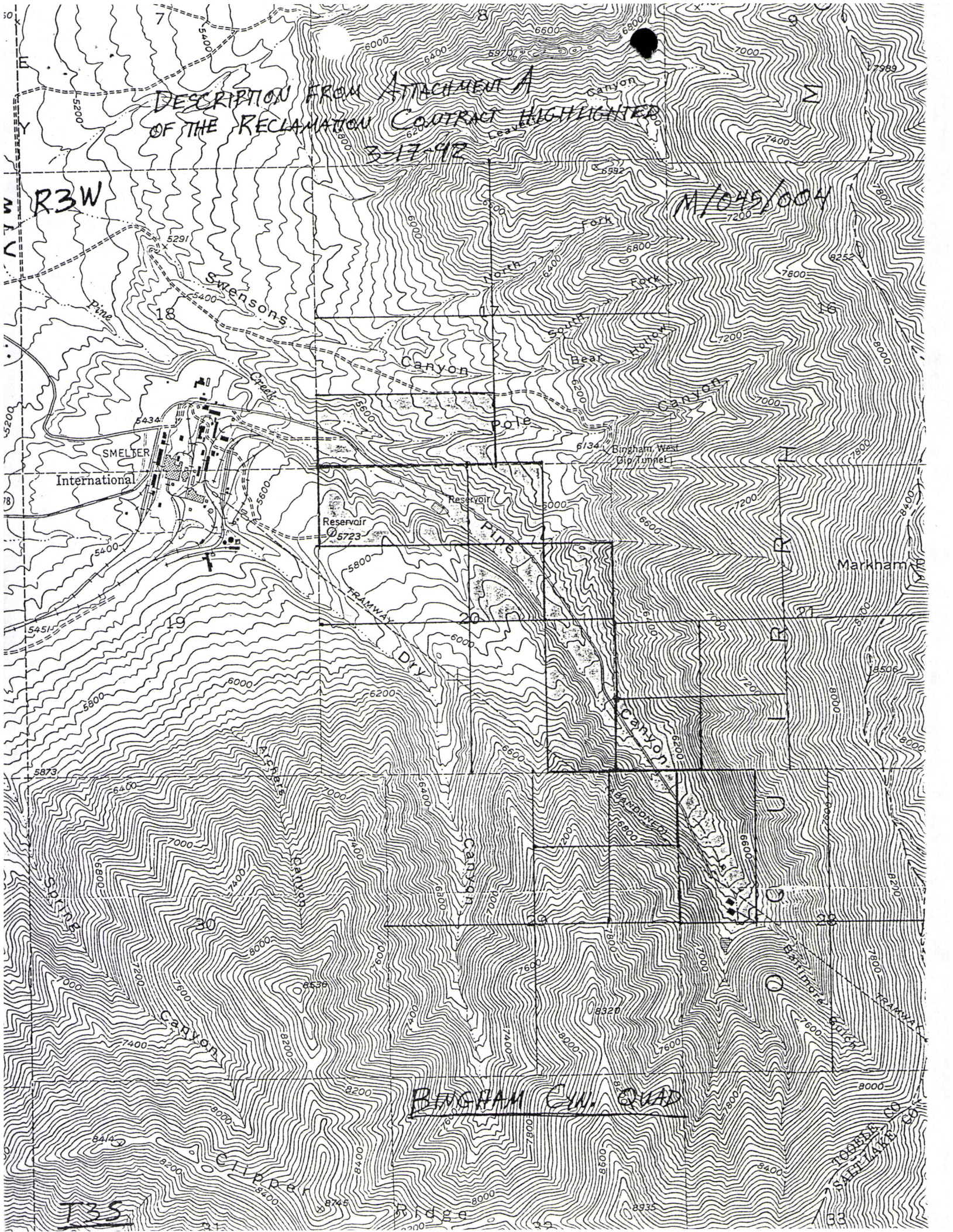
WMN/1-4



DESCRIPTION FROM ATTACHMENT A  
OF THE RECLAMATION CONTRACT HIGHLIGHTED  
3-17-92

R3W

M/045/004



BINGHAM CYN. QUAD

T35

TO ARDEN CO  
SALT LAKE CO